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DECISION



21238 Mc Connell
**THE COMPTROLLER GENERAL
OF THE UNITED STATES**
WASHINGTON, D.C. 20548

FILE: B-205121

DATE: March 23, 1982

MATTER OF: S.A.F.E. Export Corporation

DIGEST:

1. A contracting officer may cancel a request for proposals where the only proposal offers a price that substantially exceeds the Government estimate which is not shown to be erroneously low.
2. The protester fails to establish the unreasonableness of the Government estimate where the only evidence is that the protester's price was substantially higher than that estimate.
3. A protest challenging the clarity of specifications is untimely under 4 C.F.R. § 21.2(b)(1) where it is filed after the closing date for receipt of initial proposals.

S.A.F.E. Export Corporation (SAFE) protests the cancellation of request for proposals No. DAJA 04-81-R-0809 issued by the United States Army Contracting Agency, Europe. The solicitation requested proposals for the installation of a Government-owned security alarm system. SAFE, the sole offeror, contends that the Army improperly rejected its proposal as unreasonably priced.

We deny the protest and dismiss an alternative contention concerning the specifications.

The solicitation originally sought proposals for both the purchase and installation of a security alarm system. After issuing the solicitation, however, the contracting officer discovered that a new Army standardization policy required prior approval of such purchases by the United States Army Mobility Equipment Research and Development Command. Since command approval was not obtained, the contracting officer issued an amendment to the solicitation changing the requirement to one for the installation of Government-furnished equipment which was already in stock.

Technical personnel calculated that the purchase portion of the solicitation comprised two-thirds of the Government's estimated cost of the procurement and thus deletion of that portion resulted in a reduction of the Government estimate from \$22,828 to \$8,921. In response to the amendment, SAFE reduced its proposal price from \$24,510 to \$19,850. The contracting officer thereafter determined that SAFE's price was unreasonable in comparison to the revised Government estimate and that in-house performance of the installation was less costly. Based on that determination, he canceled the solicitation.

SAFE contends that its price was reasonable because the Government estimate was unreasonably low. In support of this contention, SAFE states that the Government-owned alarm system might need reconditioning, resulting in expenditures not reflected in the estimate. In addition, SAFE asserts that in-house installation of the alarm system has not yet taken place and surmises that the delay is attributable to the expense involved. We reject SAFE's contention.

We have recognized that a contracting officer may cancel a request for proposals where all otherwise acceptable proposals are unreasonably priced. See Freund Precision, Inc., B-197770, June 17, 1980, 80-1 CPD 422; California Stevedore and Ballast Company, B-186873, January 24, 1977, 77-1 CPD 47. In determining whether a price is reasonable, a contracting officer may exercise broad discretion which we will not disturb without evidence that that discretion has been abused. See Amdahl Corporation, B-191133, October 18, 1978, 78-2 CPD 284. Here, we cannot conclude that the contracting officer abused his discretion by determining SAFE's price to be too high in comparison to a Government estimate which SAFE has not shown to be unreasonable. The mere fact that SAFE's price was substantially higher than the Government estimate does not establish that the estimate was unreasonable. Cf. Lashcon, Inc., B-201833, June 9, 1981, 81-1 CPD 469. While SAFE believes that the estimate excluded reconditioning costs, the specifications do not require reconditioning.

Alternatively, SAFE argues that the specifications were unclear, making proposal pricing difficult. This challenge to the solicitation, however, is untimely under our Bid Protest Procedures because SAFE filed it after the closing date for receipt of initial proposals. 4 C.F.R. § 21.2(b)(1) (1981).

The protest is denied in part and dismissed in part.

for *Milton J. Fowler*
Comptroller General
of the United States